

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2012

Docket No. N2012-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS BRADLEY  
TO APWU INTERROGATORIES APWU/USPS-T6-8 AND 11,  
REDIRECTED FROM WITNESS MARTIN  
(March 9, 2012)

The United States Postal Service hereby provides the responses of witness Michael Bradley to the above-listed interrogatories of the American Postal Workers Union. The interrogatories have been redirected from witness Cheryl Martin. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 9, 2012

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BRADLEY  
TO APWU INTERROGATORY REDIRECTED FROM WITNESS MARTIN

**APWU/USPS-T6-8**

On pages 14-15 of your testimony you indicate that there is an expected cost increase in air transportation costs due to the need to fly more First Class Mail in the network to maintain at least a 3 day service standard for First Class Mail.

- a) Does this increase in air transport cost include anticipated costs for other categories of mail and specifically parcel sub-categories in each class of mail?
- b) If so, how much extra cost is attributed to the parcel sub-categories?
- c) Does the expected increase in air transport cost include anticipated new costs for Priority mail and Express mail?
- d) If so, how much extra cost is attributed to Priority and Express?
- e) In the various mail sub-categories for parcels and for Priority and Express Mail, how much volume, before the plant reconfiguration, and then how much additional volume after the plant reconfiguration, as a percentage of total volume in each of the same sub-categories and/or classes, is planned to use air transportation?

**RESPONSE:**

- a. No. The increase in cost is limited to First-Class Mail.
- b. Not applicable.
- c. No. The increase in cost is limited to First-Class Mail.
- d. Not applicable.
- e. The only product for which there is an anticipation of additional air transportation cost is for First-Class Mail. The anticipated additional volume (in pounds) for that product is provided in Library Reference USPS-LR-N2012-1/21 (Public Version).

That information is reproduced here for your convenience:

SINGLE PIECE LETTERS	26.28%	32,645,840
SINGLE PIECE CARDS	0.27%	340,543
PRESORT LETTERS	31.04%	38,559,006
PRESORT CARDS	1.97%	2,444,187
SINGLE PIECE FLATS	25.98%	32,267,929
PRESORT FLATS	7.51%	9,327,463
SINGLE PIECE PARCELS	6.82%	8,471,534
PRESORT PARCELS	0.13%	163,267
Total	1.000	124,219,769

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BRADLEY  
TO APWU INTERROGATORY REDIRECTED FROM WITNESS MARTIN

**APWU/USPS-T6-11**

Please identify the costs per lb or costs per lb-mile that the Postal Service pays to FedEx for transporting mail via FedEx Day air transportation, and via FedEx Night air transportation.

- a) If neither pricing rate suggested above (cost per lb; cost per lb-mile) is used, please provide detailed descriptions of the formulas used for costing transportation by FedEx.

**RESPONSE:**

The cost per point for FedEx Day air transportation is provided in the nonpublic Library Reference USPS-LR-N2012-1/NP6. It is contained in the spreadsheet entitled "Air Transportation Cost.Change.Nonpublic.xls" in cell D52. Fed Ex Night is not part of the analysis.